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October 28, 2002

VIA OVERNIGHT DELIVERY

Mr. Mike Ribordy
United States Environmental Protection Agency
Region 5
77 West Jackson Blvd., SR-6J
Chicago, IL 60604-4592

Re: **Sauget 2 Superfund Site**

Dear Mr. Ribordy:

This letter responds to the CERCLA Section 122(a) Notice and Unilateral Administrative Order sent to Phillips Pipe Line Company ("Phillips") for the Sauget Area 2 Site Groundwater Operable Unit. For the reasons set forth below, Phillips does not believe it should be named as a potentially responsible party in this matter. By separate cover, Phillips has requested a conference to discuss with the EPA its status in this matter.

Paragraph 19 of the UAO identifies those parties named as PRPs on the basis waste disposal, release or transport. Phillips is not among these parties. Paragraph 20 identifies those parties named as PRPs based on ownership or operation of facilities at the site. Phillips is included in the Paragraph in connection to Site Q. The UAO does not assert any other basis for including Phillips in this matter.

Phillips owns approximately 13 acres of land within the area identified as Site Q. No operations or activity has been conducted on this property for nearly 20 years. Phillips previously used the property as a barge loading facility. The barge operations were discontinued by 1983, and since that time, the property has not been used for any purpose. As part of the decommissioning of this facility, the pipelines handling products associated with this barge loading facility were purged, filled with water and isolated.

A prior Special Notice of Liability regarding Sauget Area 2 was sent to Phillips on June 23, 2000. As with the current Notice, the only basis of liability asserted against Phillips was its ownership of land in Site Q. The EPA confirmed this in its July 20, 2002 response to Phillips' request under the Freedom of Information Act. Based on this information, Phillips asserted status as an innocent landowner and declined participation in the PRP group. No further action was taken.

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In these circumstances, Phillips continues to qualify for innocent landowner status and should not be required to participate as a PRP. As noted above, Phillips has requested a conference to further discuss this matter and address other questions the EPA may have. I understand that a meeting may be scheduled in early November for parties requesting a conference. Phillips requests the opportunity to participate in that meeting. Additionally, if you believe it would be useful, Phillips is available to meet individually to further discuss this matter.

Thank you for your attention to this matter. I look forward to working with you to promptly resolve Phillips' status. Should you have any questions, please do not hesitate to call me.

Yours very truly,

A handwritten signature in black ink, appearing to read 'T. Loftus III', with a stylized flourish at the end.

Thomas A. Loftus, III
Senior Counsel

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cc: Mr. Thomas Martin ✓
United States Environmental Protection Agency
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